

U.S. Environmental Protection Agency

NATIONAL ADVISORY COUNCIL
FOR
ENVIRONMENTAL POLICY AND TECHNOLOGY

Meeting Summary
December 10-11, 2002

The Hotel Washington
Washington, DC

**National Advisory Council for Environmental Policy and Technology
December 10-11, 2002 Meeting Minutes Summary**

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National Advisory Council for
Environmental Policy and Technology

List of Meeting Participants for December 10, 2002

NACEPT Council Members

Dorothy Bowers, Presiding Chair, Merck Corporation
Gordon Bjork, PhD, Professor of Economics, Claremont McKenna College
Arthur Blazer, Bureau of Indian Affairs
Randal Coburn, Assistant Director, Empire State Development
Steven Cohen, PhD, Director, Graduate Program in Earth Systems, Science, Policy and Management, Columbia University
Carolyn Green, Vice President, Corporate Health, Environment & Safety, Sunoco, Inc.
Charles Jones, Commissioner, Douglas County Kansas
J. Leonard Ledbetter, Executive Vice President, Law Engineering and Environmental Services
Eric Meyers, Vice President and General Counsel, Environmental Law Institute
Richard Sustich, Assistant Director of Research & Development, Metropolitan Water Reclamation District of Greater Chicago
Dan Watts, PhD, Executive Director, York Center for Environment, Engineering and Science, New Jersey Institute of Technology
Valerie Petit Wilson, PhD, Deputy Director, Tulane/Xavier Center for Bio-Environmental Research, Tulane University Health Sciences Center

EPA Senior Leadership

Eileen McGinnis, Chief of Staff
Jay Benforado, Deputy Associate Administrator, Office of Policy, Economics, and Innovation
Kwai Chan, Assistant Inspector General for Program Evaluation
Tom Gibson, Associate Administrator, Office of Policy, Economics and Innovation
Phyllis Harris, Principal Deputy Assistant Administrator, Office of Enforcement and Compliance Assurance
Jeff Holmstead, Assistant Administrator, Office of Air and Radiation
Kim Nelson, Assistant Administrator, Office of Environmental Information
John Reeder, Deputy Assistant Administrator, Office of Congressional and Intergovernmental Relations
Adam Sharp, Associate Assistant Administrator, Office of Prevention Pesticides and Toxic Substances
Mike Shapiro, Deputy Administrator, Office of Water
Morris Winn, Assistant Administrator Office of Administration and Resource Management
David Ziegele, Director, Office of the Chief Financial Officer

EPA Staff

Gwen Whitt, NACEPT Designated Federal Officer
Sonia Altieri, NACEPT Associate Designated Federal Officer
Daiva Balkus, Director, Office of Cooperative Environmental Management (OCEM)

Mark Joyce, Office of Cooperative Environmental Management
Derry Allen, Office of Policy, Economics and Innovation
Kathleen Bailey, Office of Policy, Economics and Innovations
Devereau Barnes, Solid Waste and Emergency Response Office
Michael Brody, Office of the Chief Financial Office
Rick Garman, Office of Administration and Resources Management
Raffael Stein, Office of the Chief Financial Officer
Anita Street, Office of Research and Development

National Advisory Council for
Environmental Policy and Technology

List of Meeting Participants for December 11, 2002

NACEPT Committee Members

Dorothy Bowers, NACEPT Chair
Wilma Subra, NACEPT Vice-Chair,
Gordon Bjork, PhD, Professor of Economics, Claremont McKenna College
Arthur Blazer, Bureau of Indian Affairs
Randal Coburn, Assistant Director, Empire State Development
Steven Cohen, PhD, Director, Graduate Program in Earth Systems, Science, Policy and
Management, Columbia University
Carolyn Green, Vice President, Corporate Health, Environment & Safety, Sunoco, Inc.
Charles Jones, Commissioner, Douglas County Kansas
J. Leonard Ledbetter, Executive Vice President, Law Engineering and Environmental Services
Erik Meyers, Vice President and General Counsel, Environmental Law Institute
Marguerite Sullivan, Vice President, International Republican Institute
Richard Sustich, Assistant Director of Research & Development, Metropolitan Water
Reclamation District of Greater Chicago
Dan Watts, PhD, Executive Director, York Center for Environment, Engineering and Science,
New Jersey Institute of Technology
Valerie Petit Wilson, PhD, Deputy Director, Tulane/Xavier Center for Bio-Environmental
Research, Tulane University Health Sciences Center

EPA Staff

Gwen Whitt, Designated Federal Officer, OCEM
Sonia Altieri, Associate Designated Federal Officer, OCEM
Daiva Balkus, Director, OCEM
Mark Joyce, Team Leader, OCEM

**U.S. Environmental Protection Agency
NATIONAL ADVISORY COUNCIL FOR
ENVIRONMENTAL POLICY AND TECHNOLOGY**

**Meeting of December 10-11, 2002
Washington, DC**

EXECUTIVE SUMMARY

Purpose of Meeting

- To gather input from EPA senior leadership on key environmental challenges facing EPA, including discussing EPA feedback on the National Advisory Council for Environmental Policy and Technology (NACEPT) September 2002 report, *The Environmental Future: Emerging Challenges and Opportunities for EPA*.
- To develop and agree on the FY'03-04 NACEPT work plan.

Dialogue With EPA Senior Leadership

Background

NACEPT invited EPA senior leadership, lead by *Eileen McGinnis*, EPA Chief of Staff, for a dialogue on the agency's key environmental challenges and program priorities. The goal was to find ways that NACEPT could add more value to EPA work. Each of the EPA offices offered a brief overview of the key challenges around which programming would be built, or areas where Council guidance and input would be of use.

Key Points

Participants noted a few key issues, chief among them being the environmental impacts from agriculture, the need for improved environmental information exchange and data, and the need for better cross-agency and intra-agency cooperation on environmental issues. Observations included:

- Need to more thoroughly consider the environmental impacts from agriculture, especially the need for better compliance assistance and incentive regimes for water quality.
- Need for a network to address cross-over issues between EPA and other agencies (e.g. EPA/USDA coordinated approach to environment-related agricultural issues). Members also discussed the need for better internal EPA coordination on cross-media environmental issues.
- Need for improved environmental information sets to drive environmental policy decisions and set research priorities. Members discussed the need to identify information gaps, and the need for improved data in order to better measure policy and program outcomes.
- Also discussed as areas in need of attention were: air toxics (especially with respect to the need to develop/implement community based approaches to mitigate air toxics from non-major point pollutants); EPA positions and goals for global climate change; creating a long-term human capital development strategy at EPA; linkages between EPA and water resource issues; and increased inclusion of tribal bodies in EPA decision making affecting tribal areas.

Concerns

NACEPT members noted that overall the discussion provided a good overview of perspectives and opinions of the EPA leadership. Members noted some concerns and areas for further consideration. These are:

- A gap in future planning, suggesting that the EPA programs and initiatives discussed were short-term and narrow in their orientation.
- A need for further definition around EPA's role in international environmental issues (e.g. global climate change).

Action Items

Observations from this session are to be incorporated into the NACEPT FY03-04 Work Plan.

EPA State of Environment Report

Background

Ms. Kim Nelson provided a status update on this initiative to produce an environmental indicators report that is scientifically based, identifies data gaps, includes trends data if available, and is accessible and useful to the public. The indicators will ultimately be linked to Government Performance & Results Act of 1993 (GPRA) compliance, budgeting and funding, strategic planning, and collaboration with state governments.

Key Points

- A first draft of the report has been completed, encompassing five chapters covering air, water and land, ecosystems, human health, and measurements of those related matters for which EPA has primary regulatory or statutory responsibility.
- Held meetings with the 15 states cooperating in the crafting of the report to gain buy-in on how the included data was compiled, used and presented.
- The report is currently in interagency review, since 40-50 percent of data used in the creation of indicators comes from agencies other than EPA.

Concerns

Ms. Bowers asked to what extent the State of Environment Report fed into the EPA Strategic Plan. She noted that the report will include baseline environmental data, thus it could be used as part of the EPA's performance measures. *Ms. Nelson* said that she anticipated some alignment between the report and the five goal areas of the EPA's strategic plan. Both initiatives have as their primary concern air, water, land, ecosystems, and human health (known as "compliance and communities" in the Strategic Plan).

Mr. Jones commented that the report should serve as an important communication tool for the EPA. It can be easily understood by a broad audience. The report should be accessible to as broad a range of stakeholders as policy makers to young students. *Dr. Bjork* noted the importance of third-party confidence in the report, e.g. National Academy of Sciences, is necessary to demonstrate the credibility of the report and the indicators therein.

Action Items

- Following the interagency review, the draft report will likely go through a review by a series of four to six public focus groups before being released to the public in April 2003. A public comment period will follow to allow input on any information gaps and/or the appropriateness of the information sets used to compile the report.
- NACEPT offered to host one of the proposed series of public focus groups on the report.
- No date has been set for release of a final report.

NACEPT FY03-04 Council Agenda

Background

The Council used the remainder of the meeting to discuss its work plan for FY03-04.

Key Points

The following work will be included in FY03-04:

- NACEPT will undertake facilitation of one of the proposed focus groups on the State of Environment Report.
- The Council will work with the EPA on the development of its Strategic Plan, due September 30, 2003.
- The Council will act as a sentinel on so-called emerging issues for the EPA. The next Council meeting will be used to compile a list of issues, building on the experience and learnings of Council members. Findings will be presented to Governor Whitman.
- The Council will include four additional issues for further work in FY03-04: Community based programming, geared at building linkages between governmental and non-governmental agencies at the local level; leveraging the existing science and technology base; integration of economic development and environmental protection goals; and focusing on international environmental issues.

Concerns

Ms. Bowers said that NACEPT should use the work plan as an opportunity to consider sensitive and difficult issues, and be prepared to thoughtfully challenge basic EPA assumptions.

Mr. Meyers said that it is NACEPT's role to translate long-term environmental policy and technology needs into concrete, actionable EPA initiatives. *Dr. Cohen* said NACEPT offers outside perspective and context to EPA initiatives; this moves EPA programs beyond a short-term, politically constrained focus.

Action Items

The NACEPT agenda is to be presented to the EPA Chief of Staff in December.

Reports from NACEPT Subcommittees

Mr. Richard Sustich reported on the Compliance Assistance Advisory Committee (CAAC). CAAC is evaluating delivery and quality of assistance to end customers, the issue of measuring outcomes, and the issue of how Compliance Assistance is integrated in the overall work of EPA.

Dr. Valerie Wilson reported on the Endocrine Disruptor Methods Validation Subcommittee (EDMVS). Fourteen methodologies have been identified, and are in various phases of review.

The first methodology on fish life cycles will be ready for validation and NACEPT review as early as June.

Ms. Wilma Subra reported on the Superfund Subcommittee, saying that 36 sites have been primarily identified, but only 20 are planned to be listed because of resource constraints. There may be a disincentive for states to submit sites, since they are obliged to pay a percentage of cleanup. There will be more information at the January meeting about submissions by states.

Action Item

Mr. Sustich reported that the CAAC is committed to swiftly addressing Goal V of the EPA strategic plan dealing with compliance assistance. He expressed some concern at the limited (30 day) comment period, especially with respect to CAAC ability to review compliance issues inherent in Goals I-IV of the strategic plan.

Common Themes

Throughout the two days of presentations and discussions, the basic theme stayed on the Council's role in translating long-term, future oriented environmental and technology challenges into concrete priorities for both the NACEPT work plan and the EPA. *Ms. Bowers* called on the Council to remain probers, that is, challenging assumptions and priorities. *Mr. Jones* encouraged the Council to "ask questions around the edges," to bring independence and courage to the table in order to move the EPA forward. There was an emphasis as well on making NACEPT and EPA more relevant to local communities. *Dr. Wilson* said the Council brings a local voice to the EPA and then helps translate EPA policies to local relevance.

**U.S. Environmental Protection Agency
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DETAILED SUMMARY OF MEETING

Day One

Welcome and Introduction

Ms. Bowers welcomed the participants and asked those present to introduce themselves. She reported that since the last NACEPT meeting, the Council had completed work on the Environmental Futures Report, presented it to the Administrator and circulated it within the Agency. The Council had sent an advice letter to the Administrator on the Futures Report as well as a letter on the National Environmental Technology Challenge. *Ms. Bowers* introduced *Eileen McGinnis*, EPA Chief of Staff, and asked that she and those senior staff present, offer responses to the EPA Environmental Future Report and outline EPA program priorities.

Dialogue With EPA Senior Leadership

Dorothy Bowers, Eileen McGinnis

Presentation

Background

In September 2002 NACEPT issued *The Environmental Future: Emerging Challenges and Opportunities for EPA* (EFR). Among other things, the report reviews EPA's current futures analysis capability and recommends that more be done to support environmental foresight programs. EPA senior staff was asked to give feedback on the report and also bring to fore their perspectives on the key challenges and opportunities facing the EPA.

Mr. Holmstead said that the EFR was helpful in identifying some longer-range issues that need attention. He said that in the near and mid terms, there are three key challenges related to air quality. First, cross-media implications from the environmental impacts of agriculture are increasingly challenging. In some parts of the country agricultural sources contribute significantly to air pollution. Alternative ways of addressing agricultural impacts on the environment need to be employed, such as further incentives for employing best management practices. Second, the Air Toxics Program faces challenges, particularly a need to move away from a one-size-fits-all approach toward community-based programs addressing air toxics issues. The third key air quality challenge is posed by the long-range transport of certain types of pollutants.

Mr. Sustich noted that there is a struggle between agricultural and environmental programs around the definition of compliance assistance. For non-traditional sources of pollution and those sources not covered by regulation, the compliance assistance community is missing an opportunity to push such things as best management practices. There is no regulatory measure to enforce.

Mr. Ledbetter noted the importance of addressing agriculture related air and water quality issues, noting that in EPA mechanisms are generally not in place to deal with these issues. *Mr. Shapiro* noted that agricultural activities that effect sedimentation, organics and nutrients are having massive impacts on particular ecosystems, such as the Gulf of Mexico, where traditional regulatory point-source approaches will not work. There is a move toward integrated management of all of the activities that affect the quality of water in a particular watershed or large estuarian body. This will require increased cooperation between agencies.

Mr. Barnes noted the importance of cross agency cooperation on agricultural and other issues, noting that much of what is done at the EPA touches on things that other federal agencies are responsible for doing. *Mr. Sharp* highlighted an initiative underway between the EPA and USDA on water issues. The Water Office is co-chairing a bimonthly meeting with USDA to talk about a host of the water-quality-specific issues, as well as beginning to hold dialogues on other cross-over challenges. *Mr. Meyers* said that, given the increasing consolidation of agricultural producers, the EPA should look toward working more directly with producers on effective management practices rather than waiting for regulation.

Mr. Jones asked how EPA is approaching global climate change. *Ms. McGinnis* and *Mr. Gibson* said that over the next few months the public would see concrete examples from different EPA sectors using voluntary measures geared toward addressing global climate change. *Mr. Gibson* noted that EPA has been working with DOE on revisions to the existing Voluntary Greenhouse Gas Reporting Registry.

Mr. Blazer emphasized the importance of including tribal governments and communities in environmental decisions at the federal, state and local levels. Tribal communities still struggle with the existence of open dumps and polluted drinking water, among other challenges. *Mr. Blazer* suggested the development of a national strategy to bring tribes together. This would give tribes the ability to participate in decision making. It would allow them to voice their concerns and see how EPA might assist tribes in dealing with environmental problems over the long term.

Mr. Coburn said there is a need for better coordination of environmental protection and economic development goals. He asked whether it could be possible to regulate agriculture and other industries in a way that does not essentially destroy the businesses of a particular region. How can you help transform the economic base of these areas from non-polluting industries, or help existing industries to become better environmental performers? He asked whether NACEPT could take a role in futures planning along these lines.

Dr. Bjork said that while the EPA was originally formed to address serious problems with air and water quality, there is an emerging need to address long-term water availability issues. He noted that there is no locus for authority over water allocation and said that while EPA does not have statutory authority over the issue, thought needs to go into where authority should reside.

Ms. Harris noted that as state budgets shrink there will be an increased reliance on EPA regional offices to fill any gaps left with respect to compliance assistance. She emphasized the need to forge better linkages at the local level to ensure compliance with environmental regulations. In the coming

months, *Ms. Harris* will be taking a look at how to build partnerships with non-governmental organizations (NGOs) and other agencies to move environmental protection forward at the community level, especially with respect to environmental justice issues. *Ms. Green* later commented that, with respect to environmental justice, SEPS could be very useful in dealing with some of these intractable air toxicity issues.

Mr. Reed asked the Council to consider its role in transitioning the EPA beyond its current boundaries and tool set to encompass problems previously too big or too small to be captured in the EPA net of influence.

Mr. Winn said there is a need to build a strategic human capital development plan for EPA and environmental management challenges. He said there is a need to foster new voices and approaches within the Agency. *Dr. Wilson* later said that the Council brings a local voice to the EPA, and then helps translate EPA policies to local relevance. The Council fosters new approaches and voices within environmental policy development.

Mr. Ziegele noted an interest in any ideas NACEPT might have on how to develop outcomes-based performance measurements. The development of this tool set will afford state, local and tribal programs more flexibility in achieving environmental protection goals.

Ms. Nelson said there is a need for improved information data sets to achieve the best possible policy decisions. She said a key challenge facing EPA is to identify information gaps and, from these, setting research priorities.

Mr. Chan said there is a need to explore and develop policy and technology priorities with respect to the Agency's role in environmental security.

Dr. Cohen noted that the Agency should understand its influence outside of Washington, especially its role as a provider of information to state and local decision makers. *Ms. Bowers* commented that this emphasizes the need to make sure the science is sound, to reinforce the perception of EPA as the expert resource for environmental data.

Status of the State of the Environment Report

Kim Nelson

Ms. Nelson provided a status update on this initiative to produce an environmental indicators report that is scientifically based, identifies data gaps, includes trends data if available, and is accessible and useful to the public. The indicators will ultimately be linked to Government Performance & Results Act of 1993 (GPRA) compliance, budgeting and funding, strategic planning, and collaboration with state governments.

Ms. Nelson noted that the report is geared toward breaking down institutional barriers by looking at environmental issues more holistically. The report represents the Agency's communication to the public on the status of areas for which EPA has statutory jurisdiction. The report comprises two documents: a public document between 80-100 pages long and a technical support document about

400 pages long. The report will incorporate about 100 questions most frequently asked by the public. Ms. Nelson said the report is not intended to be an annual report for the Agency nor a report on the Agency's accomplishments. Rather, the report strives to hit the right tone with respect to presenting factual data objectively rather than using the data to force or drive policy decisions.

A first draft of the report has been completed, encompassing five chapters covering air, water and land, ecosystems, human health, and measurements of those related matters for which EPA has primary regulatory or statutory responsibility. Meetings were held with the 15 states cooperating in the crafting of the report to gain buy-in on how the included data was compiled, used and presented. The report is currently in interagency review, as 40-50 percent of data used in the creation of indicators comes from agencies other than EPA.

Following the interagency review, the draft report will likely go through a review by a series of four to six public focus groups prior to its release for public comment in April 2003. The pre-release focus groups will engage various constituents in a discussion to identify the most likely issues to emerge during the public comment period. Ms. Nelson suggested that the Council could host one of the proposed series of public focus groups on the report, as well as contribute to the formulation of an overall public engagement strategy. Ms. Nelson informed the Council that more details on the timing of the focus groups would be forthcoming.

Questions and Comments

Ms. Bowers inquired as to what extent the State of Environment Report would feed into the EPA Strategic Plan. She noted that the report will include baseline environmental data, thus it could be used as part of the EPA's performance measures. *Ms. Nelson* noted that she anticipated there being some alignment between the report and the five goal areas of the EPA's strategic plan. Both initiatives have as their primary concern air, water, land, ecosystems, and human health (covered under "compliance and communities" in the Strategic Plan).

Mr. Jones commented that the report should serve as an important communication tool for the EPA, and can be easily understood by a broad audience. For example, *Mr. Jones* noted that the report should be accessible to both policy makers and young students. *Dr. Bjork* noted the importance of the report gaining the confidence of the scientific community, in order to demonstrate the credibility of the report and its indicators.

Dr. Cohen emphasized the need to secure buy-in for the report at state and local environmental agencies, as they are among the chief end-users. He suggested including this constituency in plans for a focus group. It will be important to incorporate reactions in terms of the reality state and local environmental agencies face on a daily basis.

Ms. Green asked how the 15 participating states were selected for contributing data to the report. *Ms. Nelson* responded that the states self-selected themselves into the process. They were not selected for their track record in data collection, nor are they necessarily representative of the full range of existing environmental problems. A number of large states are represented, e.g. Florida, California, New York, and Texas.

***Discussion of EPA's Feedback on the NACEPT Environmental Futures Report
and EPA Program Priorities***
Dorothy Bowers, Rick Garman (Facilitator)

Background

The presentations of EPA senior staff were discussed, especially as they might help shape the NACEPT FY03-04 Work Plan. NACEPT members noted that the discussion provided a good overview of perspectives and opinions of the EPA staff that shape EPA programs and policies. Members noted a few concerns and areas for further consideration as a result of the dialogue with EPA senior staff. First, members noted a gap in future planning, suggesting that the EPA programs and initiatives discussed were short-term and narrow in their orientation. Members also noted a need for further definition around EPA's role with respect to international environmental issues (e.g. global climate change).

General Discussion

Mr. Coburn said he was disappointed that the EPA senior staff did not offer a good deal of feedback on the Environmental Futures Report (EFR), especially as it could be a useful tool for EPA administrators. *Mr. Jones* noted that the morning's discussion pointed to the need for the Council to take on a more activist role in moving certain issues identified in the EFR forward. *Dr. Cohen* said the EFR should be juxtaposed with the pending State of the Environment Report to identify gaps and possible program priorities. *Mr. Ledbetter* commented on the need for the Council to play a role in meshing findings from the EFR into the Agency's Strategic Plan. This will help bridge the gap between the apparent near-term orientation in current EPA programs and the needs identified by the Council in the EFR.

Dr. Bjork and *Mr. Meyers* both expressed a need for a focus on international cooperation on environmental issues, noting that the morning's discussion contained little emphasis on the subject. *Dr. Bjork* observed that the U.S. shares watersheds with Canada and shares the use of water with Mexico in ways that are causing increasing conflict.

Emerging Themes

Dr. Cohen noted that while the focus on agriculture highlighted in the earlier discussion was important, it is equally important to keep in mind challenges posed by urban areas, particularly with respect to land use and health issues. *Mr. Jones* said there is a need for better understanding and amplification around the connection between land use decisions and the environment.

Mr. Jones said there is a need for a more integrated cross-agency, cross-municipality approach (versus the existing narrow, silo approach) towards program implementation. *Ms. Green* said there need to be better linkages between EPA policies and local communities, especially regarding implementation issues and translating program relevance to the local level. *Dr. Wilson* suggested the possibility of taking one of the Council's key issues and working it through with the needs for integrating the local community, as well as integrating the various sectors that work on that issue but do not currently cooperate.

Dr. Cohen said the existing information and technology base needs to be leveraged for use at the local level. This could be done in a similar manner to the Extension Service role in the USDA. He emphasized the need to develop strategies that focus information and resources from the EPA and universities, and disseminate them to places where the information is most needed.

Dr. Bjork noted the need to address impacts of environmental policies at the local level. He said that environmental problems have to be solved locally. State and federal policies often create implementation problems without giving the local jurisdictions an effective way of dealing with them.

Ms. Bowers said that it had been suggested in the past that NACEPT act as a sentinel on so-called emerging issues for the EPA and wondered whether this had value for EPA staff. *Mr. Brody* noted this would be of great value, due to the Council's role as a window into so many parts of society often outside the scope of the EPA.

Mr. Sustich and *Dr. Bjork* said NACEPT has a role to play in EPA's Strategic Plan, particularly with respect to an environmental futures orientation. *Ms. Whitt* noted that the Agency had previously expressed a desire for NACEPT to play a role in the development of the strategic plan.

The meeting then adjourned for lunch at 12:10 p.m. and resumed at 1:35 p.m.

Overview of the National Meeting of Partners and Stakeholders

J. Leonard Ledbetter

Presentation

Mr. Ledbetter reported on the National Meeting of Partners and Stakeholders: Developing EPA's 2003 Strategic Plan, held on October 16, 2002. The meeting was the first public meeting held by the Agency for developing the Strategic Plan, due September 30, 2003. In addition to NACEPT, a cross section of various state constituencies, tribal representatives, business and industry, environmental groups, and other federal agencies also were in attendance.

Governor Whitman opened the meeting, expressing her interest in developing a set of concise, measurable goals to use as the basis for the Agency's Strategic Plan. The Plan will incorporate five goals, reduced from ten under previous plans. These goals will be: air, water, land, communities and ecosystems, and compliance and environmental stewardship. The work schedule for the Strategic Plan is to have a first draft available in late December 2002, a full text draft available by March 3, 2003, with time for additional comments in the summer of 2003. The final Plan is to be submitted to Congress September 30.

A panel of nine experts representing various constituencies outlined the key challenges facing the agency over the next five to ten years. These included: air, water and transportation; developing market-based tools for use in addressing environmental challenges; collecting good scientific data and making data available; shoring up the scientific underpinnings of EPA decisions; and addressing challenges facing tribal communities around population growth, sprawl, and water quality.

Regarding specific challenges within the five goal areas under consideration, breakout sessions were held to identify key challenges. For air, asthma and the complexity of monitoring and evaluating the impacts of mixtures of emissions from various sources are concerns. Regional haze, air toxics, and the need to focus on improved ambient air quality and reduced emissions were discussed. For water, emphasis was on a holistic approach to watershed management, one that incorporates the interaction of air, land, surface water and ground water. For land, the discussion focused on the need for the EPA to move away from a clean-up focus and toward a focus on stewardship. This raised the point that better cross-agency cooperation and coordination between federal, state and local governments is needed to achieve this goal.

Under the communities and ecosystems goal, the discussion focused on the need to manage its scope with specific objectives so as not to be a “catch-all” category. This will be balanced against concern for the need to include objectives within the goals to address cross-cutting issues like pollution prevention, environmental justice, public and children's health, research and science, toxics and chemicals, geographic focus in particular regions, and ecosystem approaches such as Smart Growth.

Regarding environmental compliance and stewardship, the intent of this goal is to bring together a broad spectrum of tools to achieve and develop beyond compliance, and to accomplish broad environmental outcomes.

Questions and Comments

In the interest of time, no discussion was held.

Development and Agreement of FY03-04 NACEPT Council Agenda

Dorothy Bowers and Rick Garman

Ms. Bowers opened the discussion by calling on the Council to play an activist role, acting as the probers of the more sensitive and difficult issues, and to thoughtfully challenge basic EPA assumptions. In order to streamline the discussion on what would be included in the NACEPT FY03-04 Work Plan, *Ms. Bowers* noted that the following items would be included automatically, pursuant to previous discussions:

- NACEPT will undertake facilitation of one of the proposed focus groups on the State of Environment Report.
- The Council will work with the EPA on the development of its Strategic Plan, due September 30, 2003.
- The Council agreed to act as a sentinel on so-called emerging issues for the EPA, and agreed that the next Council meeting would be used to compile a list of such issues, building on the experience and learnings of Council members. Findings will be presented to Governor Whitman.

Ms. Bowers then turned the discussion over to *Rick Garman*, who acted as facilitator.

Discussion On Overall Approach to Developing the NACEPT Work Plan

Mr. Meyers noted that it is NACEPT's role to translate long-term environmental policy and technology needs into concrete, actionable EPA initiatives. *Dr. Cohen* noted that the Council is concerned with offering outside perspective and context to EPA initiatives, and toward moving EPA programs beyond a short-term, politically constrained focus.

Mr. Jones said that the Council represents an independent voice, with the ability to ask the questions that sometimes the Agency cannot ask itself. *Mr. Sustich* suggested a need for the Council to ask what the big issues really might be. He noted that to a certain extent the EFR asks those big questions.

Dr. Wilson noted a dual role for the Council. The first is to provide context on what is fact and what is conjecture in the State of the Environment Report. She noted that an equally important role for the Council should be to lead the EPA to the leading edge of environmental policy and technology. EFR was the first step toward this. The Council should now focus work on developing benchmarks and indicators off which the Agency can build future work.

Dr. Watts raised the issue of how much more the EPA can do within the present framework. He asked the Council to consider whether changes in the Agency framework are required. How much of that can be done within the Agency? How much can be done only if a political or public interest case is built? Is there a role for NACEPT in building that case? *Dr. Bjork* noted that one of the areas for further work (stemming from the EFR) is identification of changes to the allocation of responsibility for protecting the environment between federal, state and local authorities.

Discussion on NACEPT's Role in State of Environment Report

In an effort to better understand specific actions the Council could take to give context to the State of the Environment Report, the Council discussed various approaches to engaging in this issue.

Mr. Ledbetter urged the Council to use the opportunity for a focus group to identify and analyze key issues for inclusion in the Strategic Plan. *Dr. Cohen* suggested that the Council analyze the report for its confidence-level in the included data, and the best way to formulate policy from that data. *Mr. Jones* and *Mr. Sustich* said that work should focus on identifying any gaps in the data presented in the report, and ask questions around what the report did not talk about. Were areas left out because they were deemed not important, or is there a lack of information? If the latter, the need to collect data could be incorporated into the Strategic Plan.

Dr. Wilson said the State of the Environment Report could be used as a tool for measuring progress against the Strategic Plan. *Dr. Watts* said the report should be evaluated for its shortcomings. He said also that the Council could make specific recommendations about what to do next with the information, especially as it relates to the EFR.

Ms. Bowers noted that NACEPT is recruiting new members and could perhaps build its roster around members with strength in areas related to work on the EFR. *Mr. Jones* noted that the EFR is an attempt at raising the environmental IQ of the American public. He suggested recruiting a NACEPT member who is skilled in communications and/or publishing as a means to help the

Agency become a more influential voice on environmental issues. *Dr. Cohen* noted that it might be appropriate to recruit an environmental journalist to the Council.

Mr. Coburn said that Council time would be better spent understanding the policy implications from the report rather than analyzing that report in terms of methodology. He noted that it is what the report is indicating in terms of policy actions that need to be made, or things that EPA needs to do, that should be the focus of Council work.

Ms. Bowers and *Dr. Cohen* noted the need for a critical eye to be cast on the EFR in terms of its “just the facts” orientation. *Ms. Bowers* said the Council must challenge the report if the data provided is perhaps not all the available data, or if it is the wrong data, or if it predisposes conclusions. *Dr. Cohen* noted that in general what you choose to look at sometimes has impact on what you find, and how you choose to look at something almost always has impact on what you come up with. He said the Council should look for those clues in evaluating the report and challenge appropriately.

The meeting then adjourned for a break and resumed at 3:30 p.m.

Discussion of Key Themes

An outline of the key themes emerging from the morning discussion was developed, incorporating comments from EPA senior staff and Council members. These themes are:

- Addressing agricultural sector challenges
- Need for cross program/pollutant coordination
- Emerging partnerships
- Community based programs (Compliance/Tools/Linkages)
- Challenges in urban areas posed by population growth (e.g. land use and health issues)
- Leveraging the available base of information and technology
- Integration of economic development and environmental protection goals
- Focus on international environmental issues
- Human capital development

After a process of multi-voting, wherein Council members highlighted the themes they felt most appropriate for Council work, four themes were identified for further discussion and inclusion in the Council FY03-04 Work Plan. These were:

- Community based programs (Compliance/Tools/Linkages)
- Leveraging available technology and information
- Integration of economic development and environmental protection goals
- Focus on international environmental issues

Discussion on Community Based Programs

Mr. Jones gave the example of local land use decisions to demonstrate the need for community based tools and linkages. He noted the need for local decision makers to incorporate data on water quality, air quality and nitrate levels into land use decisions. He asked for further definition around the EPA role in making this data available to local decision makers and guiding decision makers

toward asking the right questions. He cited a need for demonstration and/or pilot projects to further inform this issue.

Mr. Meyers said there is a need to identify regional best practices and attempt to replicate these on a broader scale. *Mr. Ledbetter* noted that NACEPT could bring value to the community-based concepts by presenting models of successful community based initiatives, such as Brownfields redevelopment and watershed management. He proposed having NACEPT investigate and present to EPA a number of successful community based models of problem-solving around EPA issues.

Mr. Sustich noted the need for community-wide environmental management, to look at all aspects of running an economically viable, environmentally sustainable community. *Dr. Watts* said work on community-based activities must address how to empower the community or facilitate community making decisions that advance the EPA goals, while at the same time advancing their own community goals. *Mr. Coburn* said work in this area should focus on trying to empower people at the local level to be able to implement environmental policy. *Mr. Meyers* noted the need to focus work on those areas where there is some inherent conflict, such as crossing multiple jurisdictions.

Discussion on Leveraging Available Technology and Information

Dr. Watts sought to clarify this work area. He noted the need for emphasizing technology's role in the Council Work Plan. *Dr. Watts* also noted that a number of environmental issues have come about through the introduction of new technology, using industrialized agriculture as an example of technological advancement carrying negative environmental impacts. *Dr. Watts* further noted the important role of technology in addressing the need for better monitoring.

Dr. Wilson noted that while the EPA is not principally a science-development agency, it needs to leverage the science that has already been done out of other agencies to make the best use of the translation of that science into appropriate technologies for measuring and monitoring. *Dr. Wilson* also cited the need for disseminating information to communities on the best practices for measuring and monitoring and the appropriate use of applicable technology.

Dr. Cohen noted inherent local distrust of new technology and data. He said work in this area should focus on establishing Agency credibility, forging a role similar to that played by the Centers for Disease Control as the truth-teller on health issues. The EPA needs to have the same depth and credibility on environmental issues. The Agency has traditionally been a regulator, but should now begin to focus on its role as a science-based information leader.

Closing Comments

One Council member cited the need for a "let's get to the moon" policy that says, by 2050 or 2075, fossil fuels will no longer be used for combustion purposes. The member noted that the ultimate technology issue is how do we get from here to that kind of a future?

Dr. Bjork cited a need for a more geographically diverse set of Council members, noting that only three of the Council members are from the western U.S. *Ms. Whitt* commented that work is underway to expand the sector and geographic representation on the Council.

The meeting then adjourned for the day, to recommence at 8:00 a.m. the following morning.

Day Two

Public Comments

Bob Olson with the Institute for Environmental Futures called on the EPA to be more future-oriented. He encouraged the Agency to move from a reactive position toward a proactive orientation. Industrial ecology, design for environment, and product stewardship are small but important programs that could help transform EPA culture and operations to more anticipatory learning.

Fern Abrams, with the trade association IPC and a member of the Compliance Assistance Advisory Committee, expressed concern that the EPA Strategic Plan does not adequately address compliance assistance.

Mark Riso, representing the American Society of Safety Engineers, expressed his client's interest in making their organization more visible to NACEPT.

Follow-Up Comments From Day One

Ms. Green said NACEPT needs to consider transportation as part of its work plan, as it is a major contributor to environmental problems.

Development and Agreement of FY03-04 NACEPT Council Agenda, Continued

Dorothy Bowers

Discussion on Focusing on International Environment Issues

Mr. Sustich emphasized the Agency's role both to lead other nations by example, and to export lessons and best practices. He noted opportunities especially in the areas of sustainable practices, advanced water-management practices, and advanced agriculture practices. He emphasized that growing/emerging economies could adapt and benefit from these practices at this point in their development.

By contrast, *Mr. Meyers* noted the need for the U.S. to import lessons and best practices on water allocation issues. He noted that while the U.S. leads the world in water quality issues, other countries lead on water resource management issues.

Mr. Jones cited the need for more definition around the Agency's policy on global climate change. He suggested the EPA forge a coherent policy on the matter in conjunction with other federal agencies (e.g. Energy, Transportation). He suggested asking these agencies to outline their thinking/opinion on the scientific data around global climate change, and how the agency is interpreting that data. How does that interpretation of data inform policy decisions at that agency?

Dr. Watts suggested coordinating with Department of State and other agencies on an international environment portfolio. *Mr. Sustich* suggested that NACEPT should have a role in fostering international cooperation on the next generation of ideas. He cited the example of moving from a

carbon to hydrogen-based economy as a “moon-shot” idea that could be fostered via international cooperation under the auspices of NACEPT.

Ms. Bowers noted that Governor Whitman is looking for ways that EPA can encourage the private sector to share emerging/innovative technology with developing economies. *Ms. Bowers* suggested identifying successful private sector initiatives in environmental problem solving and working with EPA to disseminate key findings. The project would look at where companies have successfully addressed an environmental problem (e.g. water treatment and water resource management), identify what it is that made it work, try to find examples where it did not work, identify what kept it from working, and then suggest to EPA how they could influence and encourage the diffusion of technology.

Mr. Ledbetter cited the example of a water conservation program undertaken by Coca-Cola that fits the criteria outlined by *Ms. Bowers*. He suggested as a next step inviting Harry Ott to brief the group on the Coca-Cola example to make a presentation on the project.

Discussion on Integrating Environmental and Economic Development Goals

Mr. Coburn said there has been interest expressed previously by Governor Whitman in integrating economic and environmental goals. He said there is a need to define a role EPA can play in looking at whether environmental goals and economic goals are compatible. How can economic tools (e.g. tax policy) be used to foster environmental innovation, technology development, technology deployment, and to help move communities beyond compliance?

Dr. Bjork commented on the relevance of this issue to resolving water allocation issues. He noted the growing conflict between the agricultural sector, which utilizes a high percentage of water resources in a given watershed, and other sectors.

Mr. Ledbetter suggested NACEPT take a role in fostering technology transfer between large and small companies. He suggested compiling a range of success stories from large corporations implementing economically-driven environmental improvement projects, in order to replicate success at small and medium enterprises.

Mr. Sustich said there is a need to consider the implications on the environment from the transformation to a service economy. He suggested work around how economic policy and environmental policy perhaps impedes people from moving in that direction. *Mr. Meyers* did not embrace this idea, noting that, with respect to the shift from a manufacturing to a services economy, data indicates that actually more products are being produced and thus more materials are actually being extracted, burned or otherwise utilized.

Ms. Subra and *Dr. Bjork* emphasized the growing conflict at the state level between agricultural economic interests and the economic and environmental needs of the rest of the population. *Ms. Subra* suggested evaluating the environmental impacts of non-regulation in the agricultural sector, compared to the environmental impacts in regulated sectors.

Mr. Meyers suggested surveying EPA and private sector investments in environmental restoration projects to evaluate the return on investment. This could help increase the profile of environmental restoration as part of the EPA mission.

Mr. Coburn suggested that it might be interesting to take a look at what tax breaks are available now that benefit environmental management, what the potential for losing those breaks are, and whether this triggers any sort of emergency or urgency in terms of the need to provide other incentives.

Mr. Coburn further suggested that monies that are currently directed at pure economic development goals could be redirected towards achieving environmental goals. To be effective, incentives would need to be more targeted as opposed to being more generic. For example, a business that is creating jobs could get the incentive, just as an agricultural business specifically doing something in the area of pollution prevention or improved environmental performance could also receive an incentive.

Ms. Bowers and *Mr. Meyers* noted the difficulty in defining work along this theme, as economic and environmental integration shares a common thread with respect to a number of areas already considered under the NACCEPT Work Plan.

Conclusion of Work Plan Discussion

Ms. Bowers noted that the best way to proceed would be to prepare broad, one-page outlines of each of the four work themes identified. *Mr. Wells* was assigned leveraging information and technology; *Mr. Coburn* was assigned incorporating environmental and economic policies; *Mr. Jones* was assigned community based programs, and *Mr. Sustich* was assigned international environment issues.

Ms. Bowers expected to present an outline of the NACEPT FY03-04 Work Plan to Eileen McGinnis, EPA Chief of Staff, the week of December 16, 2002, pending availability.

Reports on NACEPT Subcommittees

Wilma Subra, Richard Sustich, and Valerie Wilson

Presentation

Background

Mr. Sustich gave an update on the work of the Compliance Assistance Advisory Committee (CAAC). Work has centered on two main areas. First, CAAC was asked by EPA to evaluate the current capacity of the EPA and the larger Compliance Assistance Network in terms of delivering assistance to end customers, and evaluating the quality of the information and assistance being delivered as to whether it is delivering the desired outcome.

Second, CAAC has been working on the issue of measurement. The Agency is currently focused on counting inputs and outputs, e.g. number of inspections completed or number of hits on the website. CAAC is looking toward measuring outcomes. For example, how many customers have changed their way of doing business as a result of compliance assistance? How can the Agency measure the impact on the environment from these changes?

Finally, CAAC is looking at how Compliance Assistance is integrated in the overall scheme of the way EPA does business, in terms of the Agency mission, in the Strategic Plan, and in the specific goals. *Mr. Sustich* reported that CAAC is committed to swiftly addressing Goal V of the EPA Strategic Plan dealing with compliance. He expressed some concern at the limited (30 day) comment period afforded, especially with respect to CAAC ability to review compliance issues inherent in Goals I-IV of the Strategic Plan.

Questions and Comments

Mr. Sustich asked if there was an overall Council strategy on the best way to respond to the Agency's Strategic Plan, especially given the limited time frame. *Ms. Bowers* said that a formal meeting, either in person or over the phone, should be scheduled. *Ms. Altieri* noted that in order for the Council to review and approve any comments by the CAAC, a meeting of the full Council must be held, and the meeting must be announced in the Federal Register. *Ms. Bowers* and the Council members also agreed that the full Council should review Goals I-IV of the Strategic Plan.

Presentation

Dr. Wilson reported on the Endocrine Disruptor Methods Validation Subcommittee (EDMVS), charged with developing and identifying standardized methods to validate endocrine disruptors. The U.S. Government has a legal mandate to conduct this program, and work is being conducted in concert with international bodies, both in Japan and in Europe. EDMVS began its work in October 2001 and is expected to complete work in 2006.

Thus far 14 methodologies have been identified, some with two or more levels of complexity. Each of the methodologies must go through a three-step review process: Detailed Review Paper (DRP), Laboratory Pre-Validation and Validation. Ten methodologies have completed the DRP phase, two are in the Pre-Validation Phase and one is in the Validation phase. Three methodologies are in the detailed review process currently, with work yet to begin on one remaining methodology. *Dr. Wilson* anticipated that the first methodology on fish life cycles would be ready for validation and submitted for NACEPT review possibly in June.

Questions and Comments

Ms. Bowers noted that she had heard that testing is moving ahead in Japan and Europe on endocrine disruption, and wondered if these tests were employing any of the 14 methodologies currently under evaluation. *Dr. Wilson* said that tests are underway in various countries using various methodologies and various species. She noted that EDMVS is actually charged with assessing relative comparability between the methods that are being used, and pointing to a single method that might end up being a prevailing standard even though different species may be employed.

Presentation

Ms. Subra reported on the Superfund Subcommittee. The Subcommittee is split into three work groups, the first determining how sites are selected, the second dealing with remediation and clean-up criteria, and the third related to day-to-day EPA activities. The Subcommittee noted that more money is needed to adequately address site clean-up, but had been advised to base recommendations on current resource levels. The Subcommittee agreed to put forward two sets of recommendations: one based on existing resources and a second assuming more monies would be available.

Ms. Subra noted that thus far 36 sites have been identified as meeting Superfund criteria. She noted some concern that despite a vigorous vetting process, due to resource issues the Administrator only wanted 20 sites listed. Another factor influencing the site identification process is the fact that, because states pay ten percent of clean-up costs, there may exist a disincentive for submitting sites for consideration, as states may not be able to afford their portion of the clean-up costs. The Subcommittee is actively working on ways to address this situation. *Ms. Subra* anticipated having more information in January regarding which states were not submitting sites for Superfund consideration due to budgetary fears.

Questions and Comments

Ms. Green asked for more information around the site selection criteria, noting that responsible parties oft times might fight to keep a site off the Superfund list because they can voluntarily deal with them more judiciously and more cost-effectively. *Ms. Subra* said the Subcommittee is working on ways to get responsible parties to do voluntary clean-ups, noting that often the threat of Superfund gets the parties to the table. She noted that the Subcommittee is working on ways to formalize the selection steps, including points at which sites may be able to go through alternative clean-up mechanisms.

Mr. Ledbetter noted concern over Brownfields redevelopment, in that once a site is labeled a Superfund site developers tend to back away from possible redevelopment. He noted examples of Superfund-eligible sites that were cleaned up outside of Superfund and are now being redeveloped.

Concluding Remarks and Announcements

Ms. Bowers said that the tentative dates for the next meeting would be March 25-26, 2003. She reminded Council members that one-page outlines of each of the four issue areas to be included in the FY03-04 Work Plan should be submitted by December 16. Sonia Altieri will contact Council members about release dates for the EPA Strategic Plan, in regard to the comments process. More information would be forthcoming regarding the schedule for meeting with the EPA Chief of Staff regarding the work plan.

The meeting adjourned at 11:14 a.m.